

Document #4979

11/19/87

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ADOPTED 11/19/87

SIXTH AMENDMENT TO THE REPORT AND DECISION ON THE APPLICATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS (TER. ED.) CHAPTER 121A, AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960, AS AMENDED, TO BE UNDERTAKEN AND CARRIED OUT BY THE APPLICANT

On May 1, 1975, the Authority voted to adopt a Report and Decision on the Application of Al-Jordan Realty Corp. for the reconstruction on the Old Main and Shuman parcels of a retail facility with a total floor space of approximately 750,000 to 800,000 square feet. The new structure consists of a partial sub-basement, basement, main and second floor.

The Application has been amended five times by the Authority, at the time of the original approval, on June 12, 1975, on October 23, 1975, on December 9, 1976 and again on May 29, 1976. The First Amendment revised Exhibit E to the Application regarding all permissions which are required for the Project to deviate from zoning, building, health and fire laws, codes, ordinances and regulations in effect in the City of Boston. The Second Amendment revised the definition of Gross Income and Gross Receipts" as originally stated in the Application. The Third Amendment to the Application allowed the Applicant to issue additional shares of common stock with a par value of \$100 from 5,000 shares to 30,000 shares, provided total capitalization did not exceed \$6,000,000.00 The Fourth Amendment revised Paragraph F to the Authority's Report and Decision to reflect an increase in the projected cost of the Project from \$30,000,000.00 to \$34,000,000.00. The Fifth Amendment permitted the Applicant to sell to the City of Boston, its right, title and interest in and to a portion of Avon Street connecting the Jordan Marsh department store with the building Annex on the opposite side of the street.

On October 8, 1987, the Applicant requested that the Authority approve the Sixth Amendment to its Application. The Sixth Amendment requests that Al-Jordan Realty Corp. ("Al-Jordan") be permitted to grant a first mortgage on the Project to secure a loan in the amount of approximately \$36 million to Al-Jordan from The Prudential Insurance Company of America ("Prudential"), an affiliate of Prudential or another long-term mortgage lender. A general description of the financing is as follows:

1. Al-Jordan is an indirect wholly-owned subsidiary of Allied Stores Corporation ("Allied"), which is in turn an indirect wholly-owned subsidiary of the Campeau Corporation ("Campeau")
2. In October, 1986, Campeau purchased a controlling interest in Allied's predecessor ("Old Allied"), which was also known as Allied Stores Corporation.
3. As part of the financing for Campeau's acquisition of Old Allied, Allied raised additional capital by entering into a Credit Agreement dated December 30, 1986, with Citibank, M.A. ("Citibank") and Manufacturers Hanover Trust Company, individually and as agents for other banks (collectively, the

"Banks") pursuant to which the Banks agreed to loan Allied \$2.406 billion.

4. In accordance with the terms of the Credit Agreement, Allied and its subsidiaries have undertaken to grant the Banks mortgages, collateral assignment of leases and rents and related security instruments on certain of its real property. On September 30, 1987, Allied satisfied the collateralization obligations under its Credit Agreement using properties other than the Project.
5. The portion of the indebtedness under the Credit Agreement secured by the mortgage described above to Citibank will be refinanced with a new loan to Al-Jordan to be secured by a first mortgage on the Project. The granting of a first mortgage would require the prepayment of the note secured by the existing mortgage on the Property. All or a portion of the remaining proceeds of the refinancing would be used to prepay indebtedness under the Credit Agreement.

Allied has no plans to sell the Project in order to prepay portions of its indebtedness under the Credit Agreement. In addition, no change will be made in the Project. The Project will continue to be leased and operated by Jordan Marsh.

The proposed mortgage has met with the approval of the Boston Redevelopment Authority Staff. All future mortgages and financings are subject to further review by the Authority.

In the opinion of the Chief General Counsel, this Amendment does not represent a fundamental change and does not require a public hearing.

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EDWARD NOTIS-MCCONARTY

October 8, 1987

HAND DELIVERED

Mr. Stephen Coyle, Director
Boston Redevelopment Authority
City Hall
Boston, Massachusetts 02108

Re: REQUEST FOR SIXTH AMENDMENT TO APPLICATION OF AL-JORDAN
REALTY CORP. DATED MARCH 31, 1975 FOR THE AUTHORIZATION
AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS
121A (TER. ED.) AND CHAPTER 652 OF THE ACTS OF 1960, AS
AMENDED

Dear Mr. Coyle:

On September 14, 1987, we wrote to you on behalf of
Al-Jordan Realty Corp. requesting the amendment referenced
above. Capitalized terms used but not defined in this letter
have the meanings given them in our September letter.

On September 30, 1987, Allied Stores Corporation satisfied
the collateralization obligations under its Credit Agreement
with Citibank, N.A. and the other Banks using properties other
than the Project. Al-Jordan therefore wishes to revise its
request for an amendment to the application to relate
exclusively to a loan in the amount of approximately \$36
million to Al-Jordan from The Prudential Insurance Company of
America ("Prudential"), an affiliate of Prudential or another
long-term mortgage lender secured by a first mortgage on the
Project.

Al-Jordan plans to prepay the note secured by the existing
mortgage on the Project currently held by The Equitable Life
Assurance Society of the United States and to loan and/or
declare a dividend of capital proceeds in the amount of all or
a portion of the balance of the proceeds of this financing
directly or indirectly to Allied, which would use the proceeds
to prepay indebtedness under the Credit Agreement. The
balance of the existing mortgage is approximately \$20 million.

HEMENWAY & BARNES

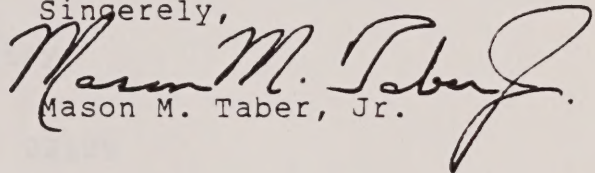
Mr. Stephen Coyle, Director
October 8, 1987
Page Two

Allied asks that the Authority approve and adopt the request and vote set forth in correspondence dated September 14, 1987, as revised by this letter, at its first meeting after October 8, 1987.

Please be sure to contact me if you feel that any additional information or the presence of a representative of Al-Jordan at or prior to this Authority's next meeting would be helpful.

Thank you for your cooperation.

Sincerely,


Mason M. Taber, Jr.

MMT/kaj
119-7

HEMENWAY & BARNES

COUNSELORS AT LAW

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THOMAS L. GUIDI
EDWARD NOTIS-MCCONARTY

September 14, 1987

Mr. Stephen Coyle, Director
Boston Redevelopment Authority
Second Avenue
Billings Building, #33
Charlestown, Massachusetts 02129

Re: REQUEST FOR SIXTH AMENDMENT TO APPLICATION OF AL-JORDAN
REALTY CORP. DATED MARCH 31, 1975, FOR THE AUTHORIZATION
AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS
121A (TER. ED.) AND CHAPTER 652 OF THE ACTS OF 1960, AS
AMENDED

Dear Mr. Coyle:

We represent Al-Jordan Realty Corp. ("Al-Jordan").

On May 1, 1975, the Boston Redevelopment Authority ("the Authority") adopted a Report and Decision approving the Application of Al-Jordan for reconstruction of the Jordan Marsh store located in downtown Boston (as more particularly defined in the Application, the "Project"). The Application has been amended five times - on the date of the original approval and on June 12, 1975, October 23, 1975, December 7, 1976, and May 29, 1979.

Al-Jordan is an indirect wholly-owned subsidiary of Allied Stores Corporation ("Allied"), which is in turn an indirect wholly-owned subsidiary of Campeau Corporation ("Campeau"), which purchased a controlling interest in Allied's predecessor ("Old Allied"), which was also known as Allied Stores Corporation, in October 1986. As part of the financing for Campeau's acquisition of Old Allied, Allied entered into a credit agreement dated December 30, 1986, with Citibank, N.A. ("Citibank") and Manufacturers Hanover Trust Company,

HEMENWAY & BARNES

Mr. Stephen Coyne, Director
September 14, 1987
Page Two

individually and as agents for other banks (collectively, the "Banks") pursuant to which the Banks agreed to loan Allied \$2.406 billion (such agreement, as amended, is hereinafter referred to as the "Credit Agreement"). In accordance with the terms of the Credit Agreement, Allied and its subsidiaries have undertaken to grant the Banks mortgages, collateral assignments of leases and rents and related security instruments on certain of its real property. As part of this undertaking, Allied wishes to cause Al-Jordan to grant a second mortgage on the Project to Citibank as Administrative Agent for the Banks.

Shortly after granting the mortgage described above to Citibank, Allied plans to refinance that portion of the indebtedness under the Credit Agreement secured by such mortgage with a new loan to Al-Jordan secured by either a first or second mortgage on the Project. Al-Jordan would loan all or a portion of the proceeds of this refinancing directly or indirectly to Allied which would use the proceeds to prepay indebtedness under the Credit Agreement. The granting of a first mortgage would, of course, require the prepayment of the note secured by the existing mortgage on the Project currently held by The Equitable Life Assurance Society of the United States. The balance of the existing mortgage is approximately \$24.5 million. Allied anticipates that the new lender would be The Prudential Insurance Company of America ("Prudential"), an affiliate of Prudential or another long-term mortgage lender.

As you may have read in the financial press, Allied has disposed of certain of its assets in order to prepay portions of its indebtedness under the Credit Agreement. As the press has also reported, Allied has no plans to sell Jordan Marsh. Allied is committed to Jordan Marsh and the continued operation of its downtown Boston location and, in fact, plans to expand Jordan Marsh in Massachusetts. Allied therefore asks that the Authority approve the granting of the Mortgages described above.

Consistent with past practice of the Authority in connection with Al-Jordan's request for amendments to the Application, we believe that no public hearing is required. We have enclosed both a request of Al-Jordan for the amendment described above and a draft vote of the Authority. Allied asks that the Authority approve and adopt the request and the vote at its next meeting.

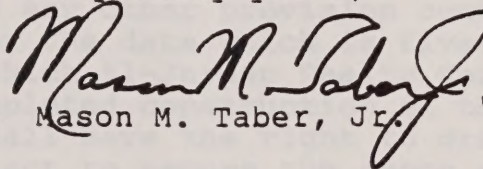
HEMENWAY & BARNES

Mr. Stephen Coyne, Director
September 14, 1987
Page Three

Please be sure to contact me if you feel that any additional information or the presence of a representative of Al-Jordan at or prior to the Authority's next meeting would be helpful.

Thank you for your cooperation.

Very truly yours,


Mason M. Taber, Jr.

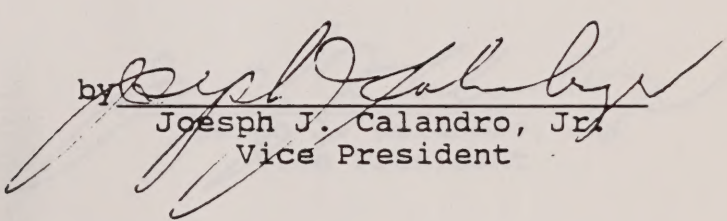
MMT/kaj
Enclosures
119-1

REQUEST FOR SIXTH AMENDMENT TO APPLICATION OF AL-JORDAN
REALTY CORP. DATED MARCH 31, 1975 FOR THE AUTHORIZATION
AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL
LAWS CHAPTER 121A (TER. ED.) AND CHAPTER 652 OF THE
ACTS OF 1960, AS AMENDED

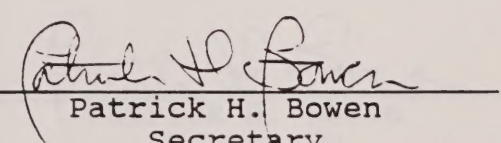
The undersigned hereby requests that the Boston
Redevelopment Authority approve an amendment to the
Application referred to above and its Report and Decision
thereon dated May 1, 1975 as follows:

"Notwithstanding any other provision contained
herein, from and after the date which is five years
after the date upon which Al-Jordan Realty Corp.
("Al-Jordan") has completed construction of the
Project, Al-Jordan shall have the right to grant
mortgages on the Project to secure the debts and
obligations of Allied Stores Corporation and its
affiliates, including, without limitation, Al-Jordan."

AL-JORDAN REALTY CORP.

by 

Joseph J. Calandro, Jr.
Vice President

by 

Patrick H. Bowen
Secretary

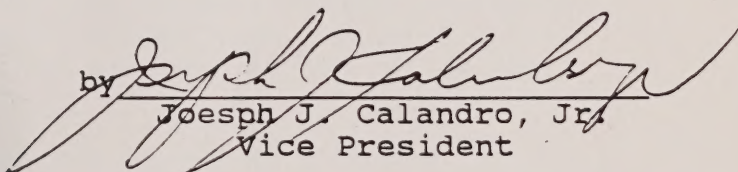
REQUEST FOR SIXTH AMENDMENT TO APPLICATION OF AL-JORDAN REALTY CORP. DATED MARCH 31, 1975 FOR THE AUTHORIZATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS CHAPTER 121A (TER. ED.) AND CHAPTER 652 OF THE ACTS OF 1960, AS AMENDED

The undersigned hereby requests that the Boston Redevelopment Authority approve an amendment to the Application referred to above and its Report and Decision thereon dated May 1, 1975 as follows:

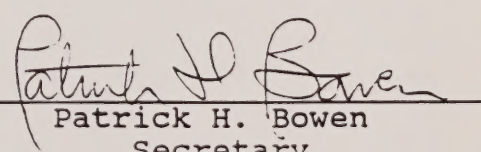
"Notwithstanding any other provision contained herein, from and after the date which is five years after the date upon which Al-Jordan Realty Corp. ("Al-Jordan") has completed construction of the Project, Al-Jordan shall have the right to grant mortgages on the Project to secure the debts and obligations of Allied Stores Corporation and its affiliates, including, without limitation, Al-Jordan."

AL-JORDAN REALTY CORP.

by


Joseph J. Calandro, Jr.
Vice President

by


Patrick H. Bowen
Secretary

November 17, 1975

Massachusetts Housing Development Authority
Stephen Davis, Director

Chairman, Board of Directors
October 12, 1975 meeting

VOTED: That the document presented at this meeting entitled "Request for Sixth Amendment to Application of Al-Jordan Realty Corp. dated March 31, 1975, for the Authorization and Approval of a Project under Massachusetts General Laws Chapter 121A (Ter. Ed.) and Chapter 652 of the Acts of 1960, as Amended" be and hereby is approved and adopted, and that the Report and Decision adopted by the Authority on May 1, 1975, now incorporates the Sixth Amendment made hereby.

SUBJECT: The project is a partial security for a loan to Al-Jordan Realty Corp., a wholly-owned subsidiary of the United States Corporation.

On May 1, 1975, the Authority approved the Fifth Amendment to the Application of Al-Jordan Realty Corp. ("Al-Jordan"), and the First Amendment thereto. The project consists of the transfer of certain real estate in Downtown Crossing to Al-Jordan, the demolition of the site and the construction of the Jordan Hotel building on the site.

On June 12, 1975, the Authority approved a Second Amendment to the Application, which amended the plan and the location of the project. The project is located at 100 State Street, Boston, Massachusetts.

On October 31, 1975, the Authority approved a Third Amendment to the Application, which amended the plan and the location of the project. The project is located at 100 State Street, Boston, Massachusetts. The project is a partial security for a loan to Al-Jordan Realty Corp., a wholly-owned subsidiary of the United States Corporation.

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On September 12, 1975, the Authority approved a Fourth Amendment to the Application, which amended the plan and the location of the project. The project is located at 100 State Street, Boston, Massachusetts. The project is a partial security for a loan to Al-Jordan Realty Corp., a wholly-owned subsidiary of the United States Corporation.

MEMORANDUM

November 19, 1987

TO: Boston Redevelopment Authority
Stephen Coyle, Director

Taken Under Advisement
October 22, 1987 meeting

FROM: Robert F. McNeil, Chief General Counsel
Kelly D. King, Assistant General Counsel

SUBJECT: Sixth Amendment to Report and Decision on Chapter 121A
Application of Al-Jordan Realty Corp.

SUMMARY: THE SIXTH AMENDMENT requests that the Authority approve the proposed new first mortgage on the Al-Jordan 121A Project as partial security for a loan to Al-Jordan Realty Corp., a wholly-owned subsidiary of the Allied Stores Corporation.

On May 1, 1975, the Authority approved the 121A Application ("Application") of Al-Jordan Realty Corp. ("Al-Jordan"), and the First Amendment thereto. The proposed Project consisted of the transfer of certain real estate at Downtown Crossing to Al-Jordan, the demolition of the site and the construction of the Jordan Marsh building on the site.

On June 12, 1975, the Authority approved a Second Amendment to the Application, which Amendment revised the definition of "Gross Income and Gross Receipts" as originally stated in the Application.

On October 23, 1975, the Authority approved a Third Amendment to the Application, which Amendment revised Exhibit H of the Application (Articles of Organization) by changing the authorized shares of common stock with a par value of \$100 from 5,000 shares to 30,000 shares, and stipulated that once the Secretary of the Commonwealth of Massachusetts approved the Articles, the Applicant could issue additional shares of common stock with the same par value, provided total capitalization did not exceed \$6,000,000.

The Fourth Amendment to the Application, approved by the Authority on December 9, 1976, amended Paragraph F of the Authority's Report and Decision to reflect an increase in the projected cost of the Project from \$30,000,000. to \$34,000,000. On May 29, 1979, the Authority approved a Fifth Amendment to the Application which permitted the Applicant to sell to the City of Boston its right, title and interest in and to a portion of Avon Street connecting the Jordan Marsh department store with the building owner on the opposite side of the street.

On September 14, 1987, the Applicant requested a Sixth Amendment to the Application. As originally proposed, the Sixth Amendment requested that Al-Jordan Realty Corp. have the right to grant a junior mortgage on the 121A Project to secure, in part, the bank debt of Allied Stores Corporation ("Allied") which has raised capital to finance Campeau Corporation's ("Campeau")

acquisition of Allied's predecessor ("Old Allied"), which was also known as Allied Stores Corporation, in October, 1986.

Al-Jordan Realty Corp. is an indirect, wholly-owned subsidiary of Allied, which is in turn an indirect wholly-owned subsidiary of Campeau. Allied has received a loan in the amount of \$2.406 billion pursuant to a Credit Agreement dated December 30, 1986 with several banks (collectively the "Banks"). In accordance with the terms of the Credit Agreement, Allied and its subsidiaries have undertaken to grant the Banks mortgages, collateral assignments of leases and rents and related security instruments on certain of its real property.

On September 30, 1987, Allied Satisfied the collateralization obligations under its Credit Agreement using properties other than the Project.

On October 8, 1987, the Applicant revised its request for a Sixth Amendment to the Application to relate exclusively to a loan in the amount of approximately \$36 million to Al-Jordan from The Prudential Insurance Company of America ("Prudential"), an affiliate of Prudential or another long-term mortgage lender secured by a first mortgage on the Project.

Al-Jordan plans to prepay the note secured by the existing mortgage on the Project currently held by The Equitable Life Assurance Society of the United States and to loan and/or declare a dividend of capital proceeds in the amount of all or a portion of the balance of the proceeds of this financing directly or indirectly to Allied, which would use the proceeds to prepay indebtedness under the Credit Agreement. The balance of the existing mortgage is approximately \$20 million.

Allied will not use the financing to be secured by a mortgage on the Project for the Project or its owner, Al-Jordan Realty Corp. In addition, no change will be made in the Project. The Project will continue to be leased and operated by Jordan Marsh and will not be sold in order to prepay portions of its indebtedness under the Credit Agreement. Allied, therefore, requests that the Authority approve the granting of the mortgage as more fully described in the attached Application dated October 8, 1987.

The Sixth Amendment has been reviewed by the Chief General Counsel and, in his opinion, the Amendment does not represent a fundamental change and does not require a public hearing.

It is therefore recommended that the Authority adopt the Sixth Amendment to the Report and Decision on the 121A Application of Al-Jordan Realty Corp.

An appropriate Vote follows:

VOTED: That the document presented at this meeting entitled "Sixth Amendment to the Report and Decision on the Application of the Al-Jordan Realty Corporation for the Authorization and Approval of a Project, under Massachusetts General Laws (Ter. Ed.), Chapter 121A, as Amended, and Chapter 652 of the Acts of 1960, as Amended, to be Undertaken and Carried Out by the Applicant" be and hereby is approved and adopted.

/tmm